

H-3111-1 - OVER-THE-COUNTER OFFERS

III. Future Interest Offers

This section provides guidance and procedures for adjudicating and issuing noncompetitive future interest oil and gas leases and should be used in conjunction with Manual Section 3111.3.

A noncompetitive future interest lease shall be issued only to an offeror who owns all or substantially all (generally, more than 50 percent) of the present operating rights in the land, either as an operator holding such rights or as mineral fee owner, lessee, or another party in interest.

A. Application

There is no required form for an offer to lease a future interest. Applicants should be encouraged to use Form 3100-11 and show Future Interest beside "other" at the bottom of the form. An offer may be filed at any time prior to the date of vesting in the United States of the present interest in the minerals. Upon the vesting in the United States of the present possessory interest in the minerals, all such offers for future interest leases pending at the time shall be considered for lease, retaining priority for consideration, as of the original date of filing; and thereafter only offers for present interest shall be considered.

B. Acceptance of Application

Responsible Official	Step	Action	Keywords
Receiving Clerk	1.	Receive application and time stamp. Assign serial number and validate \$75 filing fee. Prepare Accounting Advice and attach two copies to case file. Send case file to official responsible for ALMRS data entry through Docket.	FILING OF APPLICATION FILING FEE
ALMRS Data Entry	2.	Note ALMRS, and file a copy in serial register book. Send case file to Title Records through Docket.	
Title Records	3.	Sort applications by township, range, and State. Draft applications onto oil and gas plat(s) and file in case file. Send case file to Adjudication through Docket.	NOTE RECORDS

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Responsible Official	Step	Action	Keywords
<u>Action on Lease Offer</u>			
Adjudication	1.	Check case file for the following:	
		a) Vesting date, conflicts, and KGS lands.	
		b) The offer shall, to the extent applicable, conform to and include the terms of the noncompetitive lease form currently in use, if not on the actual lease Form 3100-11.	
		c) The offer shall be accompanied by a certified abstract of title containing record evidence of the creation of, and offeror's right to, the claimed mineral interest. In lieu of an abstract, a certificate of title may be furnished, provided that the State in which the lands are located authorizes abstracting and title companies to certify as to title to lands.	ABSTRACT OF TITLE OR CERTIFICATE OF TITLE
		d) If the offeror acquired the operating rights under a lease or contract, the offeror must submit a copy.	COPY OF PRIVATE LEASE OR CONTRACT
		e) If the application is submitted by another party in interest, compliance with 43 CFR 3102.4 must be met.	
		f) If all evidence is in order, request a title report, consent, and stipulations from acquiring agency (see Illustration 12).	TITLE REPORT REQUEST
		g) If acquiring agency agrees to leasing, but the title is unclear, transmit the abstract together with the case file to the Field Solicitor for an opinion as to whether or not the applicant owns a substantial majority of the operating rights on the land (see Illustration 13).	ACQUIRING AGENCY CONSENTS TO LEASING - FUTURE INTEREST OFFER

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Responsible Official	Step	Action	Keywords
Field Solicitor	2.	Submit opinion on filed material, as necessary.	TITLE OPINION
<u>D. Action on Completing Offer for Approval</u>			
Adjudication	1.	a) If Field Solicitor's opinion is favorable, prepare original plus two copies of lease form, supplemental agreement, and stipulations, and send to offeror for signature (see Illustrations 14, 15, and 16).	LEASE FORMS AND STIPULATIONS
		b) Request clearlisting from appropriate BLM office when executed lease forms are returned. Send original copy for clearlisting.	CLEARLISTING REQUIRED
		c) When clearlisting is received, prepare lease and supplemental agreement for signing official.	
		d) The supplemental agreement is effective on the date the authorized officer executes the agreement and remains in effect until the mineral interests vest and the future interest lease goes into effect.	SUPPLEMENTAL AGREEMENT
		e) Future interest leases shall become effective on the date when the United States becomes vested with the mineral rights as stated in the lease.	FUTURE INTEREST LEASE EFFECTIVE
		Note: Where the effective dates of the vesting of the United States title to the minerals are different for different tracts, separate leases covering each of the different tracts shall be issued.	
		f) Complete the Accounting Advice and send a copy to Accounts (see Illustration 17).	ACCOUNTING ADVICE - FUTURE INTEREST OFFER

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Responsible Official	Step	Action	Keywords
		g) BRASS is not programmed to handle anniversary date and expiration date of both the supplemental agreement and the future interest lease. Therefore, 3 months prior to effective date of a future interest lease, a new Accounting Advice must be prepared with revised dates and applicable rental rate.	BRASS
	2.	Prepare routing slip and Records Worksheet.	
	3.	Stamp "Original" on the original case file copy. Stamp "Lessee" on the first copy, District on the second copy, and acquiring agency, if any, on the third copy.	DESIGNATE LEASE COPIES
Signing Official	4.	Sign the original and lessee's copy of lease and supplemental agreement.	SIGN LEASE
ALMRS Data Entry	5.	Enter proper notation onto ALMRS serial page.	
Mail Clerk	6.	Mail lease and supplemental agreement, and route case file to Title Records through Docket.	
Title Records	7.	Note lease issuance on oil and gas plat and historical index. Return case file to Docket.	NOTE RECORDS
Docket	8.	File case file with inactive cases.	